

EXHIBIT I

SUPREME COURT OF THE STATE OF NEW YORK

COUNTY OF KINGS: CIVIL TERM: PART: COMMERCIAL 8

-----X

SHOLEM WEISNER,

Plaintiff,

Index no.
502269/2020

-against-

SHMUEL NEMANOV,

Defendant.

-----X

360 Adams Street
Brooklyn, New York 11201
MARCH 3, 2020

B E F O R E: HONORABLE LEON RUCHELSMAN, Justice

A P P E A R A N C E S:

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THOMAS A. RUSSO, JR.
Senior Court Reporter

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1 THE COURT CLERK: This is going to be number
2 three on the motion calendar in the matter of Weisner v.
3 Nemanov index 502269 of 2020.

4 Appearances.

5 MR. GINSBURG: Good afternoon, Your Honor, Jacob
6 Ginsberg for the plaintiff, Sholem Weisner.

7 THE COURT: Good afternoon.

8 MR. SPURGEL: Good afternoon, Your Honor, Samuel
9 Spurgel, appearing on behalf of the defendants.

10 THE COURT: Okay. So where do we stand?

11 MR. GINSBURG: Your Honor, I'd like to go
12 first --

13 THE COURT: He brought the TRO, so we'll let him
14 go first.

15 MR. GINSBURG: Thank you, Your Honor.

16 This TRO was filed on January 29 on an emergency
17 basis. The filings indicate that my client, Mr. Weisner,
18 is an inventor, patent holder of about eleven patents.
19 There is a very large world class company, whose name I
20 won't identify on the record, but is subject to the
21 nondisclosure agreement that I tendered to Your Honor.

22 We filed on January 29 and were here on January
23 30. It was sent forward to February 4. On February 4, it
24 was adjourned to February 11. On February 11, an adjourn
25 date of today was entered into.

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1 The reason that the TRO was brought is because my
2 client, Mr. Weisner's, rights in extremely valuable
3 patents, up to fifty million dollars, and his ability to
4 close a deal with this mega company was killed by the
5 defendants.

6 And the reason I brought it by way of TRO is, the
7 negotiations were destroyed. The toothpaste was out of the
8 tube. We couldn't put it back.

9 My client wants to sue the mega company in
10 Federal Court, but he's deeply concerned about his ability
11 to carry on because of the irreparable harm caused by the
12 interference by the defendants.

13 Now, according to the agreement -- and there is a
14 dispute about what they say -- but according -- as I read
15 them, Your Honor, the agreements show the defendant them
16 moves as a person who is entitled to money, but he does not
17 have a right to allocate the nature and extent of the
18 negotiations with this mega company.

19 THE COURT: Besides that mega company, which
20 other company has he done -- are you alleging that he's
21 done that to?

22 MR. GINSBURG: To my knowledge, Your Honor,
23 what's happened so far since the date that this was filed,
24 is that there have been unauthorized contacts by the
25 defendants with Mr. Weisner.

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1 THE COURT: But that has nothing to do with the
2 TRO that you brought.

3 MR. GINSBURG: Hold on, hold on. Yes, it does,
4 Your Honor, I believe.

5 THE COURT: Tell me how.

6 MR. GINSBURG: Presently my client is attempting
7 to move forward with other patents through patent counsel
8 in Israel. His ability to market, sell, license, utilize
9 his valuable expertise and his valuable talent patents with
10 third parties are also being impacted. There's a lawsuit
11 against the mega company that needs to be brought
12 immediately.

13 THE COURT: So what's stopping you from doing
14 that?

15 MR. GINSBURG: The reason, Your Honor, is he
16 doesn't want to have someone shooting at his feet when he's
17 litigating with his head. In other words, we've got a
18 situation here, unfortunately, where there was an
19 unauthorized transfer of rights that really don't exist to
20 defendant Uri and Luria (phonetic spellings) Ventures, LLC.

21 So my client -- just to take a step back -- is a
22 brilliant inventor. He's got eleven patents. Mr. Nemanov
23 has a right to monies.

24 THE COURT: So that's separate to what your TRO
25 is requesting.

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1 MR. GINSBURG: Your Honor, the TRO requests a
2 standstill pending a hearing on determination of the
3 merits. The TRO requests, Your Honor, to enter an order
4 temporarily restraining the defendants from taking -- from
5 taking actions that are unauthorized, what I call in my
6 papers, the "unauthorized patent conduct." That's one
7 level of --

8 THE COURT: What does that mean?

9 MR. GINSBURG: It means, for example, what
10 happened in the negotiations with the 800-pound gorilla,
11 the mega entity, is my client was going ahead, had entered
12 into an undisclosed agreement, was on the cusp of a real
13 and true settlement with this mega company.

14 THE COURT: Besides this mega company, tell me
15 another company that you're --

16 MR. GINSBURG: Microsoft is another one I
17 understand he's currently negotiating with.

18 THE COURT: Has the entity or the person that you
19 say interfered with the --

20 MR. GINSBURG: Your Honor, I'm not describing
21 misconduct of the kind with the 800-pound gorilla. My
22 client is not able to litigate effectively or at all in
23 Federal Court when he is dealing with someone who is
24 claiming or disturbing --

25 THE COURT: I don't see what stops your client

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1 from suing the 800-pound gorilla in Federal court.

2 MR. GINSBURG: I'll tell you, Your Honor. This
3 is a good example of what happened since we last met.
4 There have been unauthorized contacts which disturbed my
5 client. There have been physical threats against my
6 client. I uploaded and sent to Your Honor a letter, an
7 exhibit that shows that.

8 My client is concerned, without asking for any
9 money from the other investors, and there are other
10 investors in this picture here, one of which is the
11 defendant here, is getting monies paid to him on royalties.
12 My client could start a lawsuit, and Mr. Nemanov and
13 Mr. Luria (phonetic spelling) could intervene in a federal
14 lawsuit and disturb the litigation by claiming that they're
15 entitled, when they're not entitled to --

16 THE COURT: You say they're not entitled. That's
17 not been determined yet.

18 MR. GINSBURG: That's why I asked for a TRO.

19 THE COURT: To do what? To stop them from
20 seeking any legal remedies?

21 MR. GINSBURG: No, so that they should stop
22 disturbing my client in his creative process, stop
23 interfering with the sale of valuable patents and
24 royalties --

25 THE COURT: Besides the 800-pound gorilla, is

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1 there any other company that your client is involved in any
2 negotiations where the other side has interfered?

3 MR. GINSBURG: Not of the same kind. Presently
4 there is nothing on the table that is of the same kind of
5 what happened with the --

6 THE COURT: So basically you're just asking for
7 speculative things that may happen, you want me to issue a
8 general restraining order of something that may happen in
9 the future without being specific enough and just -- let me
10 finish, Mr. Ginsberg. And you just want me to issue this
11 TRO for something that may happen down the road. That's
12 speculative and a pretty wide net you're asking the Court
13 to throw out there.

14 MR. GINSBURG: Your Honor, what's happened so far
15 is not speculative at all. There is an e-mail trail I
16 attached to my supplemental papers which you asked for last
17 time, which shows chapter and verse what Mr. Nemanov did --

18 THE COURT: That has nothing to do with the TRO.

19 MR. GINSBURG: The TRO asks that he not interfere
20 anymore in a patent process he's not authorized to do.

21 THE COURT: Which other patent process has the
22 opposing side interfered with besides the 800-pound
23 gorilla?

24 MR. SPURGEL: None.

25 THE COURT: Please don't do that. Please don't

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1 do that again. That's all I can tell you.

2 MR. GINSBURG: My understanding is, Your
3 Honor -- and I really do need to put Mr. Weisner on the
4 stand to address that question, but my understanding is --

5 THE COURT: But you're representing him. Has he
6 told you another company?

7 MR. GINSBURG: Mr. Weisner has told me that
8 he -- his ability to -- to deal with other players in the
9 market has been so chilled, has been so prejudiced -- he's
10 been threatened physically, Your Honor.

11 THE COURT: I hear what you're saying. But I
12 don't think it rises to the level of the relief that you're
13 seeking.

14 Let me hear what Mr. Spurgel has to say.

15 MR. SPURGEL: I concur with Your Honor, not that
16 the Court needs my concurrence. All the claims for relief
17 that are presently before Your Honor seeking a TRO are
18 speculative in nature. There hasn't been any contact
19 between defendant Nemanov and the 800-pound gorilla or any
20 other players, to quote my adversary, in the marketplace.

21 THE COURT: Do you agree that your client did
22 interfere to a certain extent with the previous
23 negotiations?

24 MR. SPURGEL: To a certain extent, there was
25 contact between my client and the 800-pound gorilla. That

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1 contact ultimately resulted in my client's issuing a letter
2 to the 800-pound gorilla, withdrawing his inquiry with
3 regard to any status of any negotiations, and at the
4 conclusion of that e-mail, he specifically states that
5 everything should be done and conducted through the
6 plaintiff.

7 From that time going forward, there has been no
8 contact, no communication, no, to quote my adversary,
9 interference with that process.

10 Now, with regard to other claims, let me just
11 back up momentarily.

12 They are both co-inventors, any document that
13 lists these eleven patents lists both of them as
14 co-inventors of this technology. That needs to be stated,
15 because with regard to anything that they're co-inventors
16 of, whatever rights are given to co-inventors is what the
17 defendants will rely on in terms of their interest.

18 I agree with Your Honor. From that point forward
19 there has been no other communication.

20 Mr. Ginsberg has cited that the defendants do not
21 have a right. Their client is attempting to move forward
22 on other patents. The other patents would not affect
23 Mr. Nemanov and Luria (phonetic spelling). It is not right
24 or germane for the Court to issue a TRO in this case with
25 regard to anything that the plaintiff is seeking with

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1 regard to other intellectual property that he may be
2 designing or he may have already have rights or interest
3 in.

4 What is telling is that he is -- Mr. Ginsberg is
5 making representations that his client's ability to move
6 forward in Federal Court and sue the 800-pound gorilla for
7 whatever relief he's ultimately going to seek is somehow
8 affected by the defendants in this case.

9 He chose to come here and to name the defendants
10 in this case, and then he has the audacity to stand before
11 Your Honor seeking a TRO with, ultimately, a permanent
12 injunction, for something he's saying the defendant is
13 doing as a result of their actions.

14 He wants to say his right to sue the 800-pound
15 gorilla is affected by an ongoing litigation between
16 co-inventors of intelligent property that he's commencing
17 here. It's his own client's actions that put this deal in
18 jeopardy by commencing this action.

19 Your Honor is correct once more to state that he
20 is free and permitted to go into Federal Court and make any
21 claims he wants to against the 800-pound gorilla.

22 THE COURT: Why don't we do this --

23 MR. GINSBURG: Can I just reply for the record,
24 briefly.

25 THE COURT: Okay.

1 MR. GINSBURG: The co-inventor does not mean that
2 they have a joint right to exercise authority over the
3 patents. Their agreement specifically parses that now to
4 show that only plaintiff, Mr. Weisner, has a right to deal
5 with the 800-pound gorilla --

6 THE COURT: We're talking about apples and
7 oranges. My suggestion to both of you is why can't there
8 be an agreement that his client, Mr. Spurgel's client, will
9 not interfere anymore with your ability to negotiate with
10 any of the companies that you wish to negotiate with,
11 whether it be Microsoft or anything else, and if there's
12 any agreement reached in regard to any deal, that there be
13 a forwarding of the terms of the agreement to the other
14 side in regard to that, and there will be no other contact
15 by Mr. Spurgel's client with his -- with your client,
16 anymore.

17 We'll adjourn this for thirty days, and let's see
18 what happens during those thirty days, if the stipulation
19 has been complied with, and we can always revisit the TRO
20 down the road.

21 MR. GINSBURG: Your Honor, if I could address
22 your point, I think Your Honor puts your finger right on
23 the seminal point, because it is the fact that they want to
24 say yes or no or have a veto power, which they're not
25 entitled to.

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1 THE COURT: A veto power in what respect? I
2 don't see it.

3 MR. GINSBURG: Your Honor, for example, he goes
4 ahead and sues in Federal Court. My client goes ahead in
5 Federal Court and sues. And he brings, from soup to nuts,
6 his claims against the 800-pound gorilla. And he gets to
7 the cusp again of a settlement for royalties that would pay
8 enormous amounts of money to defendant Nemanov.

9 Defendant Nemanov, at that point, according to
10 what Your Honor's just said, has the ability to kill it
11 again.

12 THE COURT: How is that?

13 MR. GINSBURG: Well, he did it once. Why would
14 he -- you're asking why would he would do it again. I
15 don't know the answer to the question.

16 THE COURT: I'm saying to you -- we're just not
17 seeing eye to eye about this Court's suggestion. I'm
18 saying to you, let's get a stipulation as far as the
19 conduct of Mr. Spurgel's client that it won't happen again.
20 Let's put this off for thirty days. Let's revisit it in
21 the thirty-day period, and you'll have more to show the
22 Court why your TRO should be granted if his conduct does
23 not comply with the stipulation. That's what I'm saying to
24 you.

25 MR. GINSBURG: Because Your Honor has suggested

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1 it, I'm willing to adjourn it, but with the -- the
2 representation that my client has been threatened recently.

3 THE COURT: Okay. That may be, but I don't
4 think -- I think -- instead of going back and forth,
5 Mr. Spurgel, are you amenable to that?

6 MR. SPURGEL: Unequivocally yes. But as always,
7 the devil is in the details, Your Honor. My reservation or
8 an inquiry that I would have to the Court is, to adjourn it
9 for a month, thirty days, sixty days, whatever the case is,
10 I'm not sure what the goal of the adjournment would be.

11 In other words, I can represent to Your Honor
12 today that I would certainly advise, as my clients have not
13 interfered --

14 THE COURT: The adjournment will be to see if
15 your client will not interfere with any further
16 negotiations with other companies, such as Microsoft or
17 anything else, and will not conduct himself in an
18 inappropriate way in terms of trying to contact his client
19 or issue any threats or anything like that.

20 And if there are any disputes down the road, that
21 will be handled after the conclusion of any negotiations
22 that Mr. Ginsberg's client is successful with, with any
23 client in terms of the rights your client may have.

24 MR. SPURGEL: With regard to the negotiation at
25 the end, I have an issue, and a big issue, with that.

1 In terms of the advice and direction of the Court
2 to make sure that the defendant does not interfere with the
3 800-pound gorilla, I have no problem.

4 That being said, Your Honor, there's no basis to
5 grant the TRO in either case. I'm happy to make that
6 representation and direct the defendants accordingly.

7 THE COURT: If they're interfering in other
8 negotiations down the road with specific companies --

9 MR. SPURGEL: Your Honor, there isn't any
10 negotiation with other companies. Why would I now
11 voluntarily agree to anything that's completely
12 speculative, that is in the exclusive control of the
13 plaintiff, so I can set them up to say, we don't know,
14 we're not in the know of who's going to negotiate with whom
15 for what. That's my reluctance to enter --

16 THE COURT: You had indicated that your client,
17 as long as he's made aware of any settlement or anything in
18 any of these companies to the terms of the agreement, your
19 client is willing not to attempt to contact these companies
20 and assert any rights that they may have.

21 MR. SPURGEL: Let me phrase that a little bit
22 differently.

23 The defendants will not take any action to
24 interfere in the plaintiff's attempts to negotiate,
25 litigate, or whatever they need to do to effect these

1 rights of the co-inventors.

2 Now, I would want, as a condition of this
3 agreement, to be kept abreast of each and every
4 development, to see pleadings before they're filed, to be
5 made a part of -- not for the purpose of litigating it or
6 pursuing it, but so that this way a co-inventor's rights
7 are included, and if there is an ultimate settlement, to be
8 brought to the table and to reach the agreement on behalf
9 of both co-inventors.

10 I'm more than willing, ready, and able to do that
11 today.

12 THE COURT: Why can't you go outside and both of
13 you draw up a stipulation?

14 MR. SPURGEL: Because Mr. Ginsberg believes
15 defendant should not have that last right to be included
16 and involved in the decision-making process of any ultimate
17 settlement.

18 THE COURT: What do you mean he should not -- so
19 you're saying that he shouldn't be involved in the
20 negotiations?

21 MR. SPURGEL: No, he should be consulted by the
22 plaintiff here, made aware prior to what is between the
23 co-inventors. I don't want my client sitting at the table
24 with Google, with Microsoft, with Acrobat, Amazon, Ebay or
25 any other internet company. Let them negotiate with that.

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1 THE COURT: Fine. So?

2 MR. SPURGEL: I do want to be included and made a
3 part of the ultimate decision making process as between
4 co-plaintiffs, whether or not there is a fair and
5 reasonable settlement.

6 THE COURT: Didn't you say that he could
7 negotiate with them, and your client won't interfere in
8 regard to reaching any settlement?

9 MR. SPURGEL: Let me give the Court a
10 hypothetical, because I think I'm being a little bit
11 unclear or imprecise.

12 If they go to internet company X and negotiate,
13 and internet company X responds to their demand and says
14 we're going to settle any and all claims going back to the
15 beginning of time till today to the whopping sum of one
16 million dollars, my client would probably balk at that and
17 say that's a paltry sum for the technologies and use
18 they've had and not agree to the settlement.

19 THE COURT: So that means you want a veto power
20 after anything he negotiates for.

21 MR. SPURGEL: It wouldn't be veto power, but it
22 would be to be included and find out ahead of time -- to be
23 included ahead of time whether or not they're going to take
24 a million dollars for use of a particular intellectual
25 property from ten years ago. That, I think, is a right we

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1 have.

2 THE COURT: Basically you're saying you do want
3 veto power over anything they negotiate.

4 MR. SPURGEL: I need to know what's --

5 THE COURT: You said if they agree to one million
6 dollars.

7 MR. SPURGEL: The parties could have a discussion
8 of whether that is a fair or reasonable number.

9 THE COURT: And if your client doesn't feel it
10 is?

11 MR. SPURGEL: Your Honor has to determine who has
12 the ultimate right and whether or not this is a
13 deliberative process.

14 Mr. Ginsberg chose to commence an action here,
15 and I'm willing to put that issue on the back burner as
16 long as we're included throughout the process. If we're
17 not included in the process, then I have available defenses
18 and claims here. He's not going to be able to sue in
19 Federal Court, because they're not going to want to
20 negotiate with him because he chose to start this action.

21 THE COURT: Anybody want to say anything else?

22 MR. GINSBURG: Yes, Your Honor. This is not
23 about that -- I agree with what Your Honor suggested. The
24 problem with these big mega companies is that my client's
25 name has been kind of trashed with the 800-pound gorilla.

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1 He's considered lite in their eyes. He didn't even have
2 this alleged house in order.

3 Someone who is a co-inventor, with regard to
4 being entitled to money, made a direct approach to the
5 counsel to the 800-pound gorilla and said we have interest,
6 why don't we start our own negotiation. So my
7 clients -- the irreparable harm to my client is that his
8 ability to negotiate and his ability to litigate will
9 be -- I believe it will be interfered with again. And I
10 believe it's not just about the amount of money. The
11 amount of money at issue with the 800-pound was in the
12 fifty million dollar category.

13 THE COURT: You keep on saying about this fifty
14 million dollars. You keep on talking about filing the
15 lawsuit in Federal Court. We're here now, you've
16 instituted this, and you haven't filed anything.

17 MR. GINSBURG: Your Honor, that fifty million
18 dollar figure was tendered as part of the negotiations that
19 Mr. Nemanov killed as to the claims and values --

20 THE COURT: If you think you have claims, you can
21 sue them for money damages.

22 MR. GINSBURG: What do I do, Your Honor, if
23 Counsel wants to be of Counsel in the Federal litigation?
24 He wants to agree to all the communications.

25 THE COURT: What happened over there is, if you

1 went to Federal Court and filed a lawsuit against the other
2 side, and then his client wanted to come in for whatever
3 reason, then you make your arguments in front of the
4 federal judge over there and see whether or not that would
5 be appropriate and the agreement.

6 MR. GINSBURG: Yes, Your Honor. I think that's a
7 valid point. So they intervene and take the heat off the
8 800-pound gorilla by saying that whatever plaintiff gets in
9 this lawsuit, there's a whole sidebar show. And that's the
10 reason why we brought this lawsuit.

11 THE COURT: Basically what you're asking the
12 Court to do is give you a TRO and prevent the other side
13 from exercising any of the rights that it considered to be
14 proper and let you run the show as you feel it should be
15 one without any --

16 MR. GINSBURG: No, I'm bound by the agreement
17 with them, which says --

18 THE COURT: You're bound by the agreement the way
19 you interpret the agreement.

20 MR. GINSBURG: Your Honor's court attorney sat
21 down -- and I had the exact same conversation. It just
22 says that Mr. Nemanov is entitled to money, but not to
23 control. Mr. Nemanov signed that agreement. The patent
24 office is very strict about its agreement. This was an
25 agreement signed on the record, they don't want to be bound

1 by it, unless there was fraud, and there was no fraud, he
2 was one hundred percent with Counsel and the other
3 inventor.

4 At this point, Your Honor, for me to go into
5 Federal Court, I can do that. But the sidebar that he
6 could intervene on is destroyed again. Federal Court is a
7 very expensive process. Nobody's asking him to kick in
8 money, but they're asking him to stay away from the
9 litigation, because he's already shown what he is --

10 THE COURT: I don't see how this Court could stop
11 somebody from exercising what he considers to be his legal
12 right. I just don't see it. I just don't see it.

13 MR. GINSBURG: What about the agreement? If Your
14 Honor would take a few minutes to look at the agreement.

15 THE COURT: We're going to take more than a few
16 minutes after I reserve decision on this and think about
17 what to do.

18 MR. SPURGEL: Your Honor, my understanding is
19 this was a conference to determine whether or not, one, a
20 resolution is worked out or, if not, to schedule a date for
21 a hearing.

22 Your Honor had previously suggested that the
23 parties coordinate with the witnesses, whether or not
24 counsel that prepared the agreement, alternate counsel or
25 other people on the behalf of the plaintiff, I haven't put

1 in the papers, because my intent was that --

2 THE COURT: I tell you what, I've heard the
3 arguments now. I've further got some clarity on some of
4 the things that Mr. Ginsberg is asking for, and I want to
5 think about the next step before I set anything down. If
6 need it be, you will be given time to put in papers.

7 MR. SPURGEL: As long as I have the right to put
8 in papers, Your Honor, that's fine. If I can just point
9 out one nugget, which is the irreparable harm. To date,
10 there hasn't been contact with the 800-pound gorilla, which
11 is the only party the plaintiff negotiated with. The
12 defendants have not engaged anyone.

13 THE COURT: So just keep it that way.

14 MR. SPURGEL: I will continue. There is no need
15 for a TRO.

16 THE COURT: I have what you're arguing and I hear
17 what you're arguing. Think about it.

18 MR. GINSBURG: Thank you, Your Honor. If I could
19 just, one very, very brief point an irreparable harm, to
20 destroy a business or destroy the man's life, there is case
21 law, very good case law --

22 THE COURT: You are talking about one incident
23 with one company in which you allege that he torpedoed some
24 negotiation in which you're suing for monetary damage on.
25 That's all you're talking about.

PROCEEDINGS

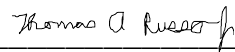
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1 MR. GINSBURG: Your Honor, I'm not talking about
2 one incident. With all due respect to this Court, the way
3 I understand this is, a person has only so much credibility
4 in this business, only so much good will. When someone
5 torpedoes that, you can't fix it.

6 THE COURT: Okay. I hear what you're saying,
7 we'll be in touch.

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9 * * * * *

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11 The preceding transcript is certified to be a
12 true and correct record of the proceedings in this matter.

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16 THOMAS A. RUSSO, JR.

17 SENIOR COURT REPORTER
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